



# Louisiana Senate Finance Committee



## FY20 Proposed Budget

### 13 –Department of Environmental Quality

May 2019

*Sen. John A. Alario, President*  
*Sen. Eric LaFleur, Chairman*



# FY20 Proposed Budget

## Schedule 13 — Environmental Quality Agencies

Departmental mission — “The mission of the Department of Environmental Quality is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.”





# Environmental Quality

## FY20 Program Descriptions by Agency

### Office of the Secretary:

- **Audit Services.** Conducts performance, operational, investigative, and financial audits of the operations of the department.
- **Legal Affairs.** Provides advice, consultation, and representation to all offices of the department for every type of environmental action.
- **Executive Administration.** Provides executive oversight and leadership of the five agency functions of the department.
- **Business & Community Outreach.** Provides both regulatory and non-regulatory approaches to ensure protection and improvement of the environment through technical assistance, outreach and partnership building.
- **Public Information.** Handles all media functions including media inquiries, press releases, the LDEQ web site, Facebook, Twitter and YouTube.
- **Criminal Investigations.** Acts as the deterrent to would-be criminal violators of environmental laws by making arrests, serving search warrants, and developing and investigating environmental criminal cases for prosecution.

### Office of Environmental Compliance:

- **Surveillance.** Inspects facilities for compliance with their permits or other authorizations (regulations or enforcement actions) by the department and to respond to complaints.
- **Enforcement.** Ensures compliance with the environmental permitting laws and regulations and to deter future non-compliance by issuing the appropriate enforcement actions.
- **Emergency & Rad Services.** Responds to chemical and environmental emergencies, provides a Single Point of Contact (SPOC) for reporting spills and complaints to the department, and provides administrative services for radiation sources.



# Environmental Quality

## FY20 Program Descriptions by Agency

### Office of Environmental Services:

- **Air Permits.** Conducts comprehensive technical evaluations of incoming air permit applications to ensure the protection of human health and the environment.
- **Water Permits.** Conducts comprehensive technical evaluations of incoming water permit applications to ensure the protection of human health and the environment.
- **Waste Permits.** Conducts comprehensive reviews of permit requests and regulatory determinations for generators, processors, and disposers of solid and hazardous waste.
- **Public Participation & Permits Support.** Facilitates public participations and provides administrative, database and certification notifications support to the media-based permit divisions.
- **La Environmental Lab Accreditation.** Accredits and audits commercial laboratories to confirm approved methods and quality to ensure accuracy, precision, and reliability of data provided to the department.

### Office of Management and Finance:

- **Financial Services.** Budget and expenditure reporting, accounts payable, employee travel reimbursement, billing & data management, accounts receivable, funds management, grant and contract processing, property and fleet control.
- **Human Resources.** Provides Human Capital Management function to the department.
- **Waste Tires (OMF-Payments).** Processes payments to the authorized waste tire processors.
- **OMF Support & Department wide Costs.** Provides processing and reporting of Clean Water State Revolving Loan program which provides financial assistance to the municipalities for improvement and/or construction of wastewater treatment facilities. Also provides department wide services such as building rent, mails, trainings, telecommunications, and insurance.



# Environmental Quality

## FY20 Program Descriptions by Agency

### Office of Management and Finance Continued:

- **Aircraft Services.** Provides the aircraft services.
- **OTS and Records Management.** Provides IT related services to the department through DOA Office of Technology Services and Records/Data Management services.

### Office of Environmental Assessment:

- **Air Planning and Assessment.** Evaluates the overall quality of the air resources of the state and ensures compliance with the federal air standards and regulations.
- **Water Planning and Assessment.** Evaluates the overall quality of the water resources of the state, establishes and assesses water quality standards, and assists with environmental restoration and protection actions.
- **Remediation.** Investigates, evaluates, monitors, and cleans up contamination at both active and/or abandoned hazardous waste, solid waste, Superfund, and Brownfields sites for restoration and preservation of the soil, groundwater, and surface water.
- **Underground Storage Tanks.** Investigates, evaluates, monitors, and cleans up contamination at both active and closed Underground Storage Tank sites for restoration and preservation of the soil, groundwater, and surface water.



# Environmental Quality FY20 Proposed Means of Finance by Agency

Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
<b>Environmental Quality</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$24,790</b>	<b>\$113,319,595</b>	<b>\$19,634,301</b>	<b>\$82,187,160</b>
Office of the Secretary	\$0	\$0	\$0	\$6,729,522	\$1,458,661	\$8,188,183
Environmental Compliance	\$0	\$0	\$0	\$21,294,963	\$2,952,974	\$24,247,937
Environmental Services	\$0	\$0	\$19,790	\$12,077,124	\$3,423,151	\$15,520,065
Management and Finance	\$0	\$0	\$5,000	\$47,640,468	\$3,176,058	\$50,821,526
Environmental Assessment	\$0	\$30,000	\$0	\$25,577,518	\$8,623,457	\$34,230,975
<b>Environmental Quality</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$24,790</b>	<b>\$113,319,595</b>	<b>\$19,634,301</b>	<b>\$133,008,686</b>

Total Funding	FY18 Actual	FY19 Enacted	FY19 EOB as of 12-1-18	FY20 Proposed	<i>Difference FY20 Proposed vs. FY19 EOB as of 12-1- 18</i>
Environmental Quality	\$ 110,065,052	\$ 136,150,465	\$ 137,257,945	\$ 133,008,686	\$ (4,249,259)
<b>TOTAL</b>	<b>\$ 110,065,052</b>	<b>\$ 136,150,465</b>	<b>\$ 137,257,945</b>	<b>\$ 133,008,686</b>	<b>\$ (4,249,259)</b>
Total Authorized FTEs	698	702	702	706	4

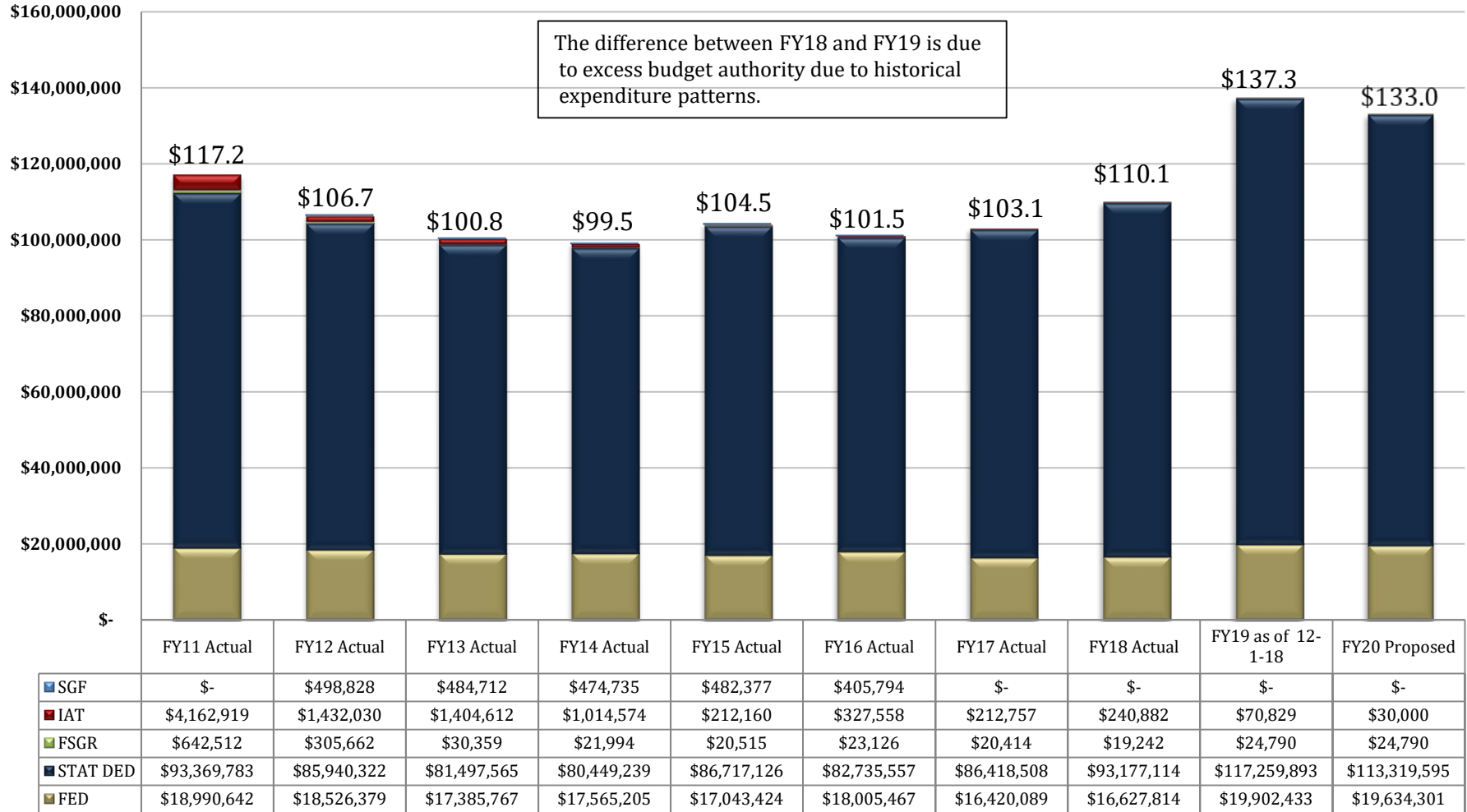


# Environmental Quality

## Changes in Funding since FY11

### Total Budget by Fiscal Year and Means of Finance (in \$ millions)

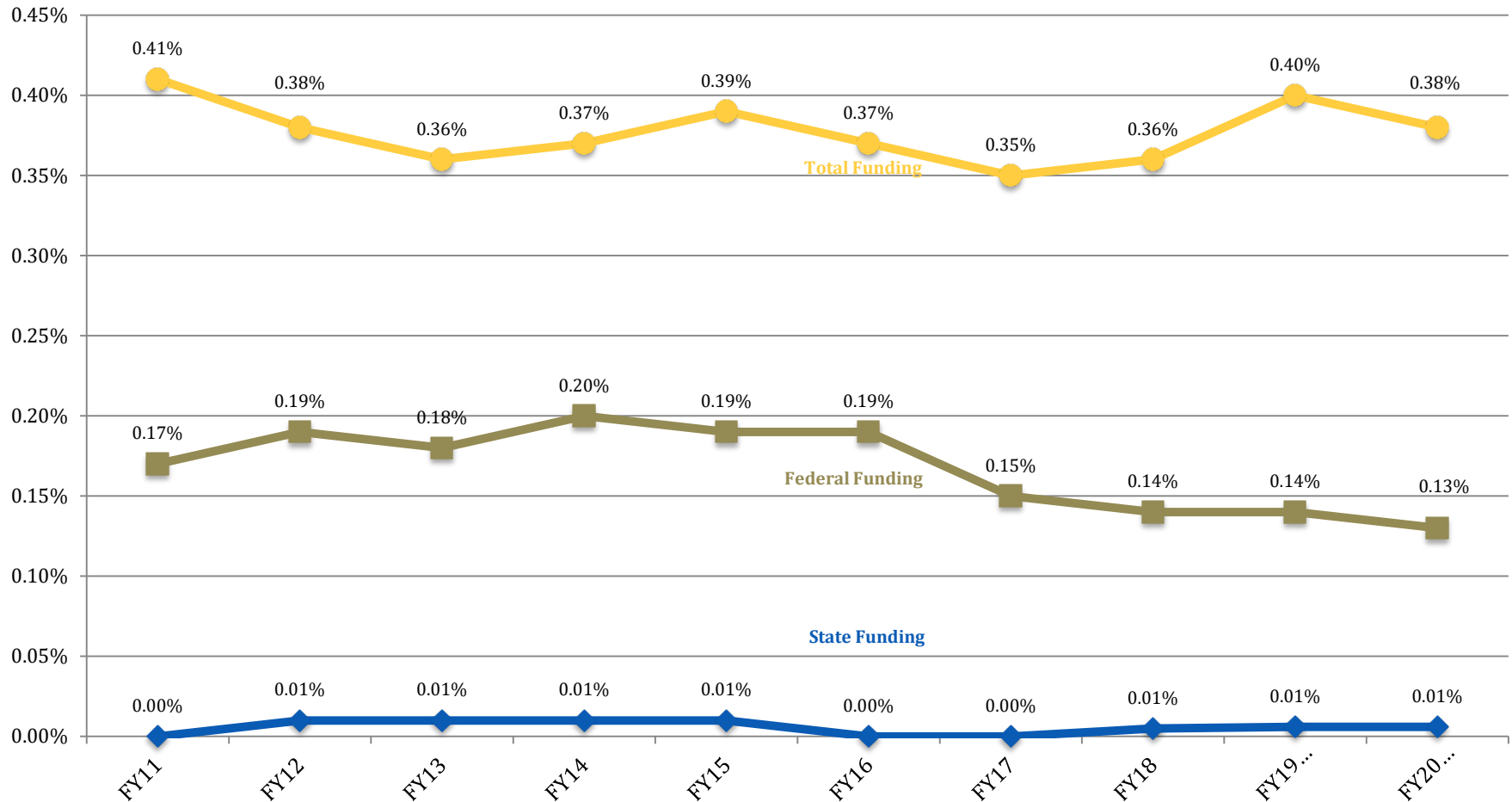
Change from FY11 to FY20 is +13.5%.





# DEQ's Changes in Funding since FY11

DEQ's Budget as a Portion of the Total State Budget

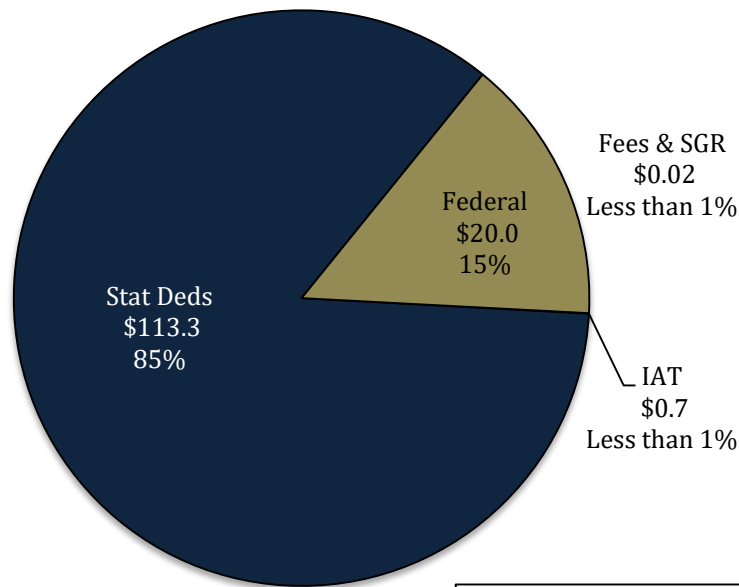






# Environmental Quality FY20 Proposed Means of Finance

## FY20 Recommended Total Means of Finance (In Millions)



Total \$133.0 m.

### Non-SGF Sources of Funding:

Non-State General Fund sources of funding for the Department of Environmental Quality are derived from Interagency Transfers, Fees and Self-generated Revenues, Statutory Dedications, and Federal Funds.

The **Interagency Transfers** are from an agreement with CPRA for NRDA from the BP Settlement.

**Fees and Self-generated Revenues** are derived from the sale of regulations, manifest forms, photocopies, and registration fees paid by the participants in seminars conducted by the department.

**Statutory Dedications**, which make up eighty-five percent of DEQ's total means of finance, are derived from the Environmental Trust Fund, Oil Spill Contingency Fund, Motor Fuels Underground Tank Fund, Waste Tire Management Fund, Hazardous Waste Site Cleanup Fund and the Clean Water State Revolving Fund.

**Federal Funds** are derived from grants issued by the Environmental Protection Agency, U.S. Department of Energy, and the U.S. Department of Defense.



# Environmental Quality Dedicated Funds

## FY18, FY19, and FY20

Dedicated Funds	Source of Funding	FY18 Actual	FY19 EOB	FY20 Proposed
Clean Water State Revolving Fund	Federal grants	\$2,827,223	\$2,355,500	\$2,855,500
Environmental Trust Fund	Monies for the fund are to be generated from fees for monitoring, maintenance, licenses, registration, permits and variances. Funds in excess of \$6 million in the Hazardous Waste Site Cleanup Fund. Reimbursement for response activities conducted due to any pollution discharge or disposal, environmental emergency, or remedial action. Grants or allocations from federal government. Reimbursement or judgements awarding damages for restoration or damages to the state's natural resources.	\$60,935,889	\$82,126,798	\$77,866,305
Hazardous Waste Site Cleanup Fund	Judgments, settlements, assessments of civil or criminal penalties, taxes and fines.	\$3,920,531	\$4,806,136	\$4,626,331
Lead Hazard Reduction Fund	Fund for the fees collected from Lead contractors and inspectors obtaining a license to be involved in lead hazard reduction activities.	\$92,923	\$95,000	\$95,000
Motor Fuels Underground Tank Fund	The annual underground storage tank trust fee collected from every owner of an underground storage tank, any late charge penalty and or any interest earned on the trust are transferred into this fund.	\$12,418,205	\$15,649,485	\$15,649,485
Oil Spill Contingency Fund	Settlements and judgements.	\$109,760	\$226,974	\$226,974
Waste Tire Management Fund	Fund for any fees collected on the sale of new tires, and any other appropriations, gifts, grants, or other monies received.	\$12,872,583	\$12,000,000	\$12,000,000
<b>TOTALS</b>		<b>\$93,177,114</b>	<b>\$117,259,893</b>	<b>\$113,319,595</b>

Dedicated Fund Review Subcommittee recommendation:

*Environmental Trust Fund = Eliminate and reclassify to Fees and Self-Generated Revenues (2018)*

*Hazardous Waste Site Cleanup Fund = No Change (2018)*

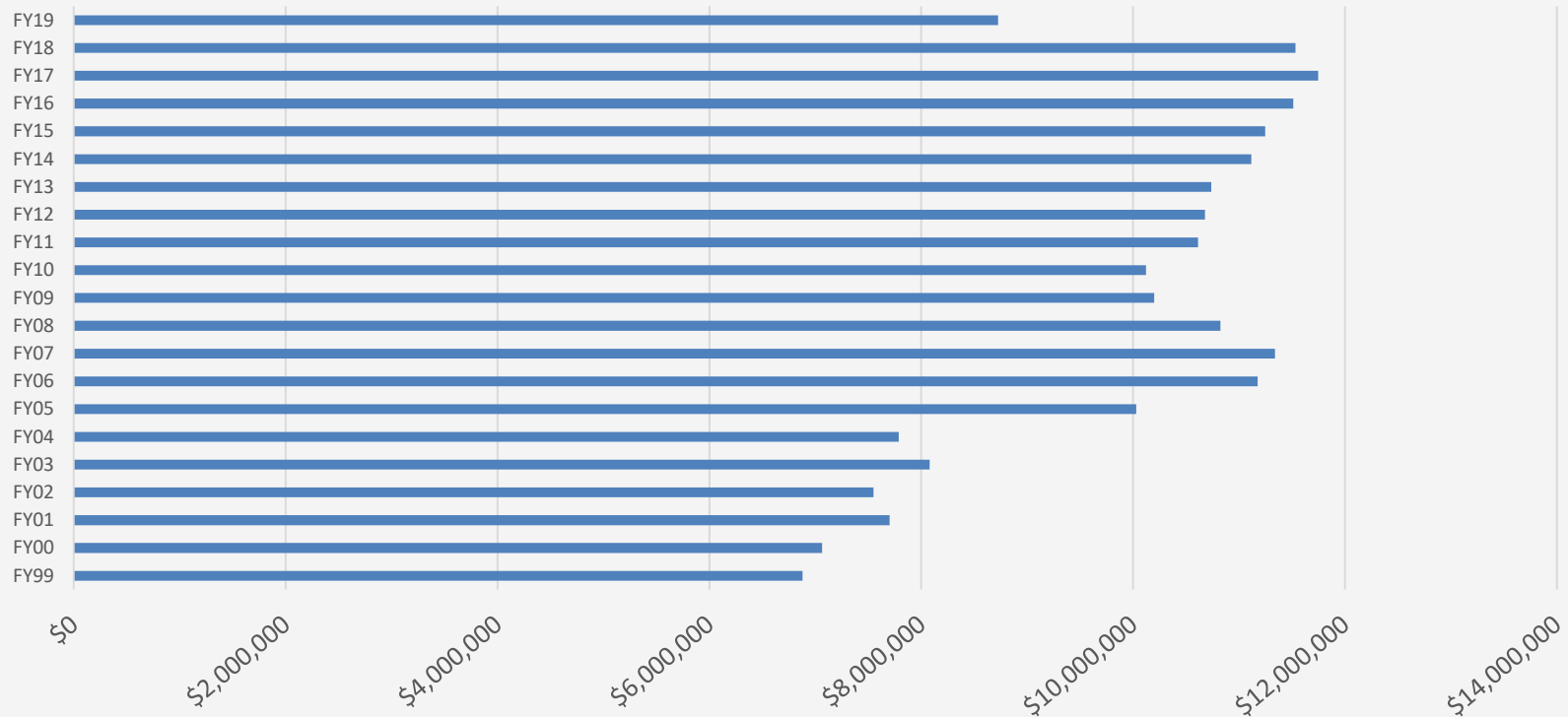
*Motor Fuels Underground Tank Fund = No Change (2018)*

*Oil Spill Contingency Fund = No Change (2019)*



# Department of Environmental Quality

## Waste Tire Fee Collection History – FY99 to FY19



Note: Act 846 of the 2004 RLS changed the tires to which the fee was applicable and greatly increased annual tire fee revenues, as shown. See LRS 30:2418.

Note: As of 3/31/19 FY19 collections total \$8.7 million.

Source: Department of Environmental Quality.

Present law provides for a \$5 fee per medium truck tire, and \$10 per off-road tire be collected for every tire sold. **Act No. 541** of the 2018 Regular Session by **Representative Lyons**, increased the fees on passenger/light truck tires from \$2 to \$2.25.



# Significant Budget Adjustments Proposed for FY20

## Statewide Adjustments to DEQ's Budget

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$1,660,497	\$0	\$1,660,497	0	Market Rate Salary Adjustment - Classified
\$0	\$0	\$0	\$166,536	\$0	\$166,536	0	Civil Service Training Series Adjustment
\$0	\$0	\$0	\$445,606	\$0	\$445,606	0	Related Benefits Base Adjustment
\$0	\$0	\$0	\$1,148,328	\$0	\$1,148,328	0	Retirement Rate Adjustment
\$0	\$0	\$0	\$125,762	\$0	\$125,762	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$0	\$91,451	\$0	\$91,451	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$0	\$521,927	\$0	\$521,927	0	Salary Base Adjustment
\$0	\$0	\$0	(\$1,275,609)	\$0	(\$1,275,609)	0	Attrition Adjustment
\$0	\$0	\$0	\$1,860,847	\$0	\$1,860,847	0	Acquisitions & Major Repairs
\$0	\$0	\$0	(\$3,598,708)	\$0	(\$3,598,708)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$0	\$0	(\$1,107,480)	\$0	(\$1,107,480)	0	Non-Recurring Carryforwards
\$0	\$0	\$0	\$83,813	\$0	\$83,813	0	Risk Management
\$0	\$0	\$0	\$6,233	\$0	\$6,233	0	Legislative Auditor Fees
\$0	\$0	\$0	(\$18,052)	\$0	(\$18,052)	0	Rent in State-owned Buildings
\$0	\$0	\$0	\$340	\$0	\$340	0	Maintenance in State-owned Buildings
\$0	\$0	\$0	\$2,422	\$0	\$2,422	0	UPS Fees
\$0	\$0	\$0	\$21,235	\$0	\$21,235	0	Civil Service Fees
\$0	\$0	\$0	(\$15,322)	\$0	(\$15,322)	0	State Treasury Fees
\$0	\$0	\$0	\$103,133	\$0	\$103,133	0	Office of Technology Services (OTS)
\$0	\$0	\$0	\$17,299	\$0	\$17,299	0	Administrative Law Judges
\$0	\$0	\$0	(\$73,963)	\$0	(\$73,963)	0	Office of State Procurement
\$0	\$0	\$0	(\$25,690)	\$0	(\$25,690)	0	Topographic Mapping
\$0	(\$40,829)	\$0	\$308,961	(\$268,132)	\$0	0	TOTAL MEANS OF FINANCING SUB ADJUSTMENT
\$0	\$0	\$0	(\$4,389,864)	\$0	(\$4,389,864)	4	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$0	(\$40,829)	\$0	(\$3,940,298)	(\$268,132)	(\$4,249,259)	4	Total Statewide Adjustments



# Environmental Quality Significant Adjustments for FY20

## Significant Increases for FY20

Increase	Source	T.O.	Agency	Description
\$374,650	Statutory Dedications	4	Environmental Services	Provides for an increase of 4 positions and funding in the Environmental Trust Fund for an anticipated increase in hazardous waste referrals/enforcement cases associated with the new Hazardous Waste Generator Improvements Rule.
\$300,000	Statutory Dedications	0	Environmental Assessment	Provides for an increase in funding in the Hazardous Waste Site Cleanup Fund to continue investigating remaining priority sites, and to begin the removal and treatment of contaminants at sites where investigations are complete.

## Significant Decreases for FY20

Decrease	Source	T.O.	Agency	Description
(\$2.9M)	Statutory Dedications	0	Environmental Quality	Decreases the Environmental Trust Fund in order to properly align the budget to the projected level of available revenues based on current trends and expenditures.
(\$2.2M)	Statutory Dedications	0	Environmental Assessment	Decreases the Environmental Trust Fund for the Volkswagen Clean Air Act Settlement to pay DOTD for the replacement of heavy duty trucks and alternative fuel school buses to local parishes.

## Significant Means of Financing Substitutions for FY20

MOF Swap	Source	T.O.	Agency	Description
\$426,379	Statutory Ded; Federal	0	Management and Finance	Decreases Federal Funds by \$426,379 and increases the Environmental Trust Fund and by the same amount to properly align the budget to the projected level of available Federal revenues.
\$158,247	Statutory Ded; Federal	0	Environmental Assessment	Decreases the Environmental Trust Fund by \$158,247 and Increases Federal Funds by the same amount to properly align the budget to the projected level of available Federal revenues.



# DEQ Categorical Expenditures

## FY18, FY19, and FY20

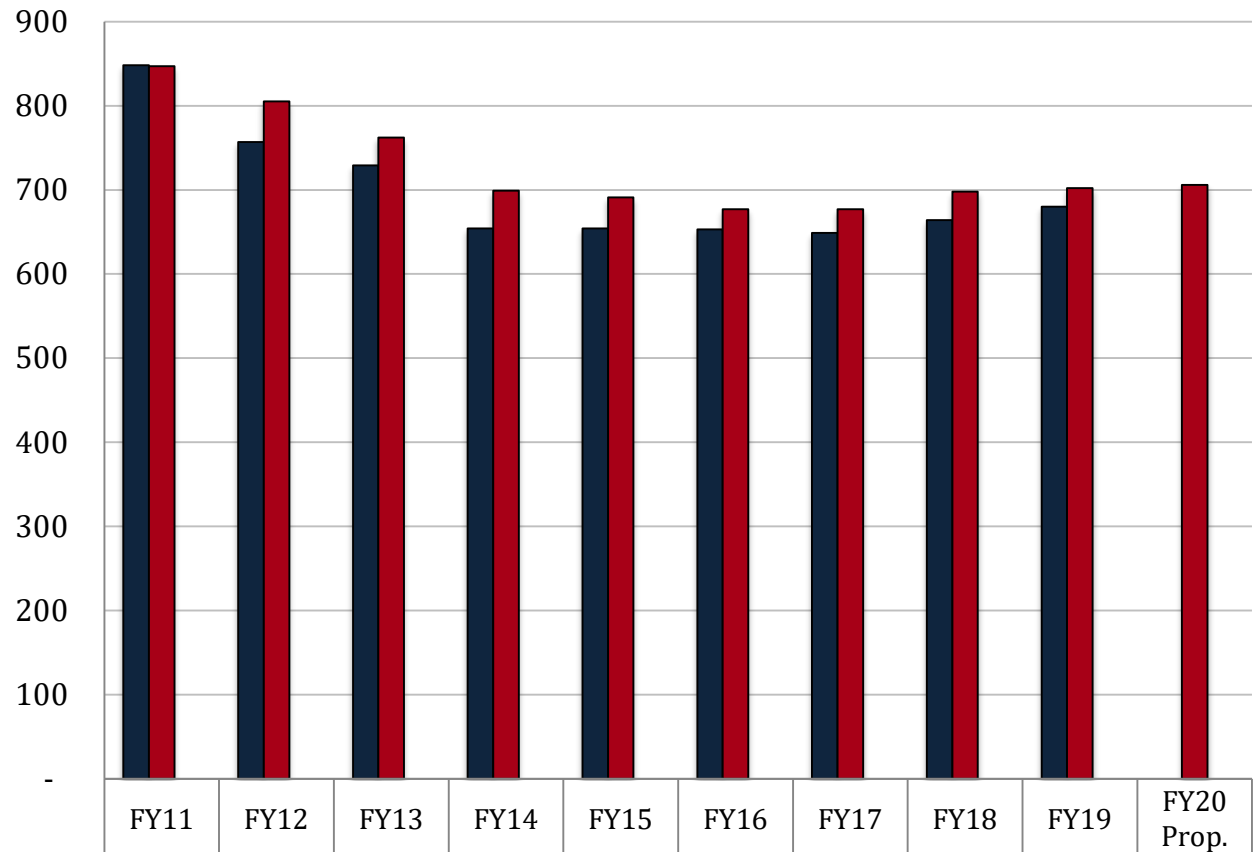
Expenditure Category	FY18 Actual	FY19 EOB (as of 12-01-18)	FY20		Difference FY19 to FY20
			Proposed Budget	Category as Percent of Total	
<b>Personal Services:</b>	<b>\$62,108,364</b>	<b>\$66,745,212</b>	<b>\$70,004,360</b>	<b>53%</b>	<b>\$3,259,148</b>
Salaries	\$39,507,922	\$42,775,272	\$43,999,621	33%	\$1,224,349
Other Compensation	\$601,807	\$211,043	\$211,043	0%	\$0
Related Benefits	\$21,998,635	\$23,758,897	\$25,793,696	19%	\$2,034,799
<b>Operating Expenses:</b>	<b>\$3,015,915</b>	<b>\$4,349,957</b>	<b>\$3,894,957</b>	<b>3%</b>	<b>(\$455,000)</b>
Travel	\$310,789	\$328,443	\$373,443	0%	\$45,000
Operating Services	\$1,897,449	\$3,043,472	\$2,628,472	2%	(\$415,000)
Supplies	\$807,677	\$978,042	\$893,042	1%	(\$85,000)
<b>Professional Services</b>	<b>\$3,009,927</b>	<b>\$4,088,624</b>	<b>\$3,197,110</b>	<b>2%</b>	<b>(\$891,514)</b>
<b>Other Charges:</b>	<b>\$39,843,316</b>	<b>\$58,330,512</b>	<b>\$54,501,912</b>	<b>41%</b>	<b>(\$3,828,600)</b>
Other Charges	\$28,802,754	\$40,039,507	\$39,679,702	30%	(\$359,805)
Debt Service	\$0	\$0	\$0	0%	\$0
Interagency Transfers	\$11,040,562	\$18,291,005	\$14,822,210	11%	(\$3,468,795)
<b>Acquisitions &amp; Major Repairs:</b>	<b>\$2,087,531</b>	<b>\$3,743,640</b>	<b>\$1,410,347</b>	<b>1%</b>	<b>(\$2,333,293)</b>
Acquisitions	\$2,087,531	\$3,743,640	\$1,410,347	1%	(\$2,333,293)
Major Repairs	\$0	\$0	\$0	0%	\$0
<b>Total Expenditures</b>	<b>\$110,065,053</b>	<b>\$137,257,945</b>	<b>\$133,008,686</b>	<b>100%</b>	<b>(\$4,249,259)</b>



# Environmental Quality

## FTEs, Authorized Positions, and Other Charges Positions

Total FY20  
Proposed  
Authorized Positions  
of 706 are 2.1%  
of Total State FY20  
Proposed  
Authorized Positions  
of 33,675



■ Total FTEs (as of July 1 of each fiscal year)	848	757	729	654	654	653	649	664	680	-
■ Total Authorized Positions (Enacted)	847	805	762	699	691	677	677	698	702	706
■ Authorized Other Charges Positions	-	-	-	-	-	-	-	-	-	-

### Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

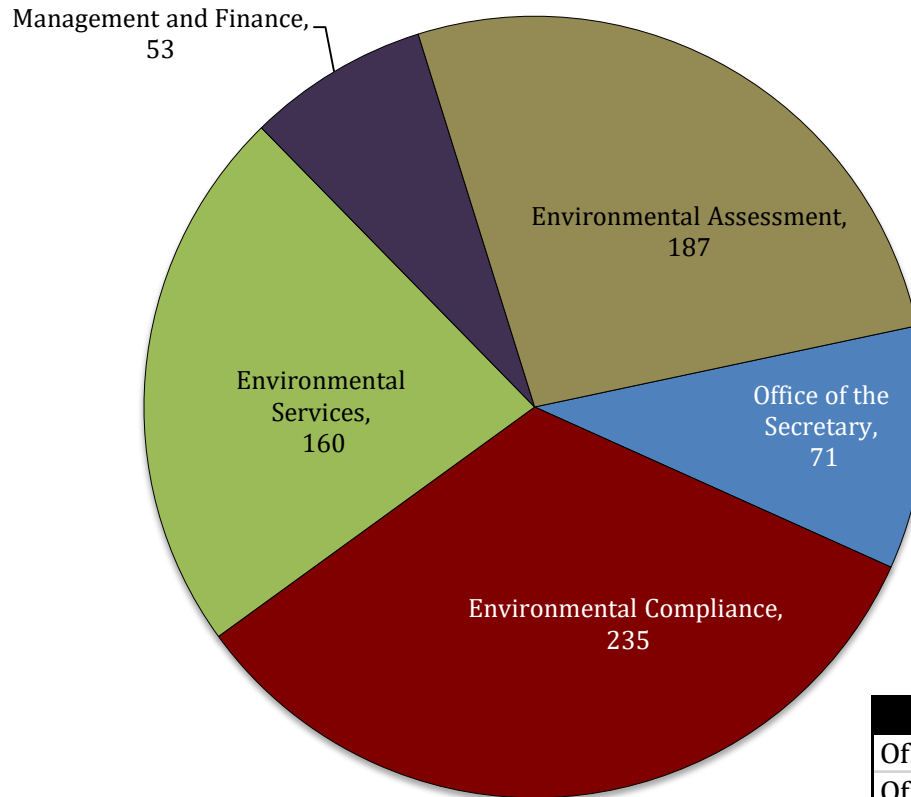
Data for Total Authorized Positions uses fiscal year enacted levels, except for FY20 Proposed.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



# Environmental Quality

## FY20 Recommended Total Authorized Positions by Agency



Office of Environmental Quality	
Office of the Secretary	71
Office of Environmental Compliance	235
Office of Environmental Services	160
Office of Management and Finance	53
Office of Environmental Assessment	187
<b>Total</b>	<b>706</b>





# Comparison Adjustments to the State General Fund in the FY20 Continuation, Standstill and Proposed Budgets

Environmental Quality	FY19 EOB	FY20 Proposed Budget	FY 20 Continuation Budget	FY20 Standstill Budget	DIFFERENCE					
					CONTINUATION OVER/(UNDER) FY19 EOB	STANDSTILL OVER/(UNDER) FY19 EOB	CONTINUATION OVER/(UNDER) STANDSTILL	PROPOSED OVER/(UNDER) CONTINUATION	PROPOSED OVER/(UNDER) STANDSTILL	PROPOSED OVER/(UNDER) FY19 EOB
STATE GENERAL FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## Continuation Budget versus Standstill Budget

There are no State General Fund dollars in the Department of Environmental Quality's budget.

Difference between the Governor's Proposed Budget and House Bill No. 105 by Rep. Henry

For this agency, there is no difference between the FY20 budget proposed by the governor and the amount contained in HB 105.



# Environmental Quality

## House Amendments to HB105

House Amendments to HB105						
HB 105	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal	TOTAL
<b>Original</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$24,790</b>	<b>\$113,319,595</b>	<b>\$19,634,301</b>	<b>\$133,008,686</b>
<b>Appropriations Amendments:</b>	<b>State General Fund</b>	<b>Interagency Transfers</b>	<b>Fees and Self-generated Revenues</b>	<b>Statutory Dedications</b>	<b>Federal</b>	<b>TOTAL</b>
Mgt and Finance - out of the Waste Tire Mgt Fund for the disposal of tires.	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000
<b>Engrossed</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$24,790</b>	<b>\$114,319,595</b>	<b>\$19,634,301</b>	<b>\$134,008,686</b>
<i>Difference HB105 Original to HB105 Engrossed</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,000,000</i>	<i>\$0</i>	<i>\$1,000,000</i>
<b>FY20 Proposed</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$24,790</b>	<b>\$113,319,595</b>	<b>\$19,634,301</b>	<b>\$133,008,686</b>
<i>Difference HB105 Original to FY20 Proposed</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Difference HB105 Engrossed to FY20 Proposed</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,000,000</i>	<i>\$0</i>	<i>\$1,000,000</i>



# Environmental Quality Environmental Issues

- An interactive map allows citizens of the state the capability to know if pollution has made a Louisiana waterway unsafe for swimming, and tells fishermen whether it's safe to eat their catch. The map shows 58 sites where contaminated fish have been caught or where it is too polluted for safe swimming. Two advisories warn against swimming while two others bar swimming and limit fish consumption.

<https://deq.louisiana.gov/page/fishing-consumption-and-swimming-advisories>

- The Department of Environmental Quality has been monitoring the stability of a large waste pile at a Mosaic Fertilizer plant in St. James Parish.

